

**Credit Suisse First Boston
Salomon Smith Barney
CIBC World Markets
ING Barings**

, 2000

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PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the estimated expenses in connection with the issuance and distribution of the securities being registered under this Registration Statement, other than the underwriting discount payable by StarBand Communications Inc. All amounts shown are estimates except the Securities and Exchange Commission registration fee and the National Association of Securities Dealers, Inc. filing fee. StarBand Communications Inc. will pay substantially all of the expenses of issuance and distribution set forth below.

Securities and Exchange Commission registration fee	\$75,900
National Association of Securities Dealers, Inc. filing fee	30,500
Nasdaq National Market listing fee	
Blue sky qualification fees and expenses	
Legal fees and expenses	
Accounting fees and expenses	
Transfer agent and registrar fees	
Printing and engraving expenses	
Miscellaneous expenses and administrative costs	
Total	\$ <u> </u>

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's Board of Directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended. Article 13 of our amended and restated certificate of incorporation, exhibit 3.1 hereto, and article 7 of our by-laws, exhibit 3.2, provide for indemnification of our directors, officers, employees and other agents to the maximum extent permitted by Delaware Law.

Item 15. Recent Sales of Unregistered Securities

Since January 11, 2000, our date of inception, we have sold and issued the following securities:

1. In connection with our incorporation we issued 10 shares of common stock to Spacenet Inc. in a private placement eligible for the exemption from registration provided by Section 4(2) of the Securities Act.
2. On April 1, 2000, we sold 9,999,989 shares of our common stock and 140,111,199 shares of our Series B Convertible Preferred stock to Spacenet Inc., in exchange for certain assets; intellectual property rights and licenses; and future services to be rendered to us in a private placement pursuant to Section 4(2) of the Securities Act.
3. On April 13, 2000, we sold 6,450,022 shares of common stock and 49,228,259 shares of Series A Convertible Preferred stock for a total of \$50 million in cash to Microsoft Corporation in a private placement pursuant to Section 4(2) of the Securities Act.
4. On April 11, 2000, we sold 49,228,259 shares of Series A-1 Preferred stock and 6,450,022 shares of common stock for a total of \$50 million in cash to EchoStar Communications Corporation and a total of 24,686,284 shares of Series A-2 Convertible Preferred stock and 2,621,960 shares of common stock to four entities affiliated with ING Furman Selz Investments for a total consideration of \$25 million in cash in a private placement pursuant to Section 4(2) of the Securities Act.

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5. On May 3, 2000, we sold a total of 8,357,754 shares of common stock to four investors not resident in the United States for a total consideration of \$1 million in a transaction in reliance upon Regulation S under the Securities Act.

6. On June 26, 2000, in a private placement pursuant to Section 4(2) of the Securities Act, we issued warrants to purchase Series C Convertible Preferred stock sufficient to represent a 1.2% interest in our company, assuming full dilution, at an aggregate price of approximately \$4.7 million as an inducement to Bank Leumi USA, The First International Bank of Israel Ltd. and Israel Discount Bank Ltd. to enter into a \$90 million Term Note.

7. On August 7, 2000, in a private placement pursuant to Section 4(2) of the Securities Act, we issued warrants to purchase Series C Convertible Preferred stock sufficient to represent a 0.8% interest in our company, assuming full dilution, at an aggregate price of approximately \$2.3 million as an inducement to the lenders to enter into \$60 million Term Notes.

8. We issued warrants to purchase approximately 116,000 shares of our common stock to certain third parties in private placements pursuant to Section 4(2) of the Securities Act during the period from January 11, 2000 (inception) through August 31, 2000.

9. On June 26, 2000, in a private placement pursuant to Section 4(2) of the Securities Act, we issued options to convert up to \$10 million of the Term Notes at an amount equal to \$500,000,000 divided by the total number of our outstanding shares of capital stock, on a fully diluted basis.

Item 16. Exhibits and Financial Statement Schedules

a) Exhibits

The following Exhibits are filed as a part of this Registration Statement.

Exhibit Number	Description of Exhibits
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation.
3.2	Amended and Restated Bylaws.
4.1*	Specimen Stock Certificate.
4.2*	Microsoft Investment Agreement.
4.3*	Stockholders' Agreement dated as of February 15, 2000.
4.4*	Registration Rights Agreement dated as of February 15, 2000.
4.5*	EchoStar and Furman Selz Investment Agreement.
4.6*	Effectiveness Agreement dated as of March 30, 2000.
4.7*	Bank Leumi USA Financing Agreement.
4.8*	Bank Leumi USA Series C Convertible Preferred Stock Purchase Warrant.
4.9*	Term Note for \$90 million by Bank Leumi USA.
4.10*	Bank Leumi USA Registration Rights Agreement.
4.11*	Fee Letter and Debt Conversion Letter.
4.12*	First Amendment and Joinder to the Bank Leumi USA Financing Agreement.
4.13*	The First International Bank of Israel Series C Convertible Preferred Stock Purchase Warrant.
4.14*	Israel Discount Bank Ltd. Series C Convertible Preferred Stock Purchase Warrant.
4.15*	The First International Bank of Israel Registration Rights Agreement.
4.16*	Israel Discount Bank Ltd. Registration Rights Agreement.
4.17*	Term Note for \$30 million by The First International Bank of Israel.
4.18*	Term Note for \$30 million by Israel Discount Bank Ltd.
5.1*	Opinion of Clifford Chance Rogers & Wells LLP.
10.1*	2000 Stock Incentive Plan.
10.2*	GE-4 Satellite Transponder Service Agreement.

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Exhibit Number	Description of Exhibits
10.3*	Loral Skynet Transponder Service Agreement.
10.4*	Employment Agreement between StarBand and Zur Feldman.
10.5*	Employment Agreement between StarBand and David Trachtenberg.
10.6*	Memorandum of Agreement among StarBand, Gilat and EchoStar.
23.1	Consent of Ernst & Young LLP.
23.2*	Consent of Clifford Chance Rogers & Wells LLP. (Included in Exhibit 5.1)
24.1	Powers of Attorney. (Included in the signature page of the Registration Statement)
27.1	Financial Data Schedule.

* To be filed by amendment.

b) Financial Statement Schedules

Schedules have been omitted because they are not required or because the required information is given in the financial statements or notes thereto.

Item 17. Undertakings

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) The undersigned registrant hereby undertakes that:

(i) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(ii) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the provisions of Item 14, or otherwise, the registrant has been informed that in the opinion of the Securities and Exchange Commission such

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indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1

and has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in McLean, Virginia, on the 11th day of October, 2000.

StarBand Communications Inc.

By: _____

Name: Zur Feldman

Title: Co-Chairman and Chief Executive Officer;
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appear below constitutes and appoints Zur Feldman and David Trachtenberg, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including pre-effective and post-effective amendments) to this registration statement and any additional registration statement filed pursuant to Rule 462(b), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
	Co-Chairman; Director	October 11, 2000
Yoel Gat		
	Co-Chairman and Chief Executive Officer; Director	October 11, 2000
Zur Feldman		
	Director	October 11, 2000
Jon DeVaan		
	Director	October 11, 2000
Mark Jackson		
	Director	October 11, 2000
Brian Friedman		
	President and Chief Marketing Officer	October 11, 2000
David Trachtenberg		
	Corporate Controller and Treasurer	October 11, 2000
William McMoil		

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DISCLAIMER and TRADEMARK INFORMATION

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DOCUMENT SEPARATOR SHEET

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Banc of America Securities

Equity Research

Montgomery Division

Bank of America



GILAT SATELLITE NETWORKS LTD.*

BUY

October 4, 2000

SATELLITE COMMUNICATIONS

NASDAQ: GILTF

Armand Musey, CFA (212) 583-8011; amusey@bofasecurities.com

Research Brief

Francis P. Vo (212) 847-5653; fvo@bofasecurities.com

DJIA: 10800

S&P 500: 1428

PRICE:	\$71.50	FYE 12/31	1999A	2000E	2001E
12-MONTH TARGET PRICE:	\$182	EPS			
52-WEEK RANGE:	\$182-42	Q1(MAR)	\$0.41	\$0.28A	
FULLY DILUTED SHARES O/S:	23.5 MM	Q2(JUN)	0.56	0.38A	
MARKET CAPITALIZATION:	\$1,680.3 MM	Q3(SEP)	0.71	0.54	
AVG. DAILY VOL. (3 MOS.):	228,685	Q4(DEC)	1.00	0.84	
SECULAR EPS GROWTH:	40%	FISCAL YR	\$2.73	\$2.04	\$2.70
FY 2000E REVENUES:	\$505.6 MM	P/E	26.2	35.0	26.5
MARKET CAP./REVENUES:	332%	P/E/G	65%	88%	66%
6/00 TOTAL DEBT:	\$350.0 MM				
6/00 LTD/TOTAL CAP.:	36.7%				
6/00 ROAE:	32.3%				
6/00 SHAREHOLDERS' EQ.:	\$603.8 MM				
6/00 BOOK VALUE/SHARE:	\$25.00				
DIVIDEND/YIELD:	NONE				

* Banc of America Securities LLC currently maintains a market in this security.

Gilat Announces Acquisition of 51% of ZapMe! For \$50 Million; Gets Specialized Technology To Pursue Vertical Markets

- ◆ Gilat announced that it intends to acquire for cash 51% of ZapMe!, a company that provides free broadband Internet access networks for schools. Gilat will purchase 51% of ZapMe!'s 44.3 million outstanding shares at \$2.32 per share through a tender offer, and if less than 51% of the outstanding shares are tender, Gilat has options to purchase the shares from certain shareholders at the strike price. This transaction is valued at approximately \$50 million, and the companies expect it to close by year-end 2000. Although Gilat will consolidate the ZapMe! financials, it does not expect that the transaction will cause any significant impact to its financial results in 2001.
- ◆ We believe that this move makes sense for Gilat, as it will essentially acquire highly specialized technology through a controlling interest in a company that already has a presence in these markets. ZapMe! currently provides advertising-supported, free broadband Internet access networks for schools using Gilat's Spacenet satellite service and owns customized browser technology and multicast capabilities. Together, Gilat and ZapMe! will focus on using the specialized technology to offer services to new vertical business market segments. Examples include

Banc of America Securities

schools, cybercafes, corporate remote learning, and possibly international markets. With this transition ZapMe! intends to de-emphasize its free broadband access for schools and possibly divest itself of its educational network.

- ◆ **We reiterate our Buy rating on Gilat shares.** We believe that this is a good move on Gilat's part in order to focus more on certain vertical markets. This transaction essentially gives Gilat access to highly specialized, industry-specific technology at a relatively cheap price, and the transaction will not effect Gilat's financials in 2001.

Gilat Satellite Networks Ltd. offers a wide array of VSAT hardware for use in data, telephony and IP network applications. Its primary hardware offering is SkyStar Advantage, a two-way VSAT terminal utilized in everything from credit-card authorization to remote monitoring. With the acquisition of Spacenet from GE in October 1998, Gilat further expanded its scope into the VSAT service area.

NOT FDIC-INSURED

May lose value

No bank guarantee

This report is for information purposes only and is based on information available to the public from sources believed to be reliable, but no representation is made that it is accurate or complete, and no information herein should be relied upon as such. Opinions and projections found in this report reflect our opinion as of the report date and are subject to change without notice. This report is neither intended nor should be considered as an offer to sell, or solicitation or basis for any contract, for the purchase of, any security, loan or other financial product. Banc of America Securities LLC, its affiliates, Bank of America Corporation and their respective directors, officers and associates, from time to time may maintain a long or short position in, act as a market maker for, or purchase or sell a position in, securities, loans or other financial products mentioned herein, or of the entities referred to herein, or related investment securities or products. Banc of America Securities LLC or its affiliates may have acted as manager or co-manager for a public offering of securities of companies mentioned herein. Banc of America Securities LLC or its affiliates may be performing, have performed or seek to perform investment banking, advisory, banking or other services for any company mentioned herein. Certain securities in this report may not have been registered under the Securities Act of 1933 as amended (the "Securities Act") and may not be offered or sold except in a transaction pursuant to SEC Rule 144A, Regulation S or otherwise exempt from or not subject to the registration requirements of the Securities Act. Past performance of securities, loans or other financial instruments is not indicative of future performance. This report may not be circulated or reproduced without prior written permission from Banc of America Securities LLC. Banc of America Securities LLC is not responsible for typographical errors herein. Further information on any security mentioned herein may be available upon request. Banc of America Securities LLC is a subsidiary of Bank of America Corporation and is a member of NYSE, NASD and SIPC.

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COMPANY REPORT

www.unterberg.com

Gilat Satellite Networks
 (GILTF • \$74 13/16) BUY

 William Kidd
 212-389-8008
 wkidd@unterberg.com

 J. Patrick Fuhrmann
 212-389-8053
 pfuhrmann@unterberg.com

 Joshua Steiner
 212-389-8021
 jsteiner@unterberg.com

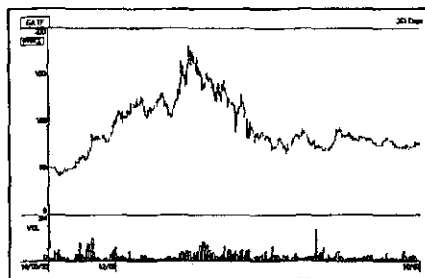
Gilat to Acquire Struggling Customer ZapMe!
Key Points:

- **Gilat to tender for 51% of customer, ZapMe!** In what Gilat classifies as a move to acquire technology (a multicast browser interface) and a sales force, the company will look to acquire 51% of ZapMe!'s (IZAP-not rated) outstanding shares for \$2.32 per share in cash or approximately \$52 million. ZapMe! has about \$70 million in cash and about \$50 million in liabilities, which should likely create a small positive net asset position if the company was unwound. Gilat is already a shareholder, as it provided equity financing in conjunction with receiving one of its largest-ever terminal orders (April 1999). We believe about 1,800 terminals have already been delivered out of a contract with a potential for 14,000 units. Gilat will phase out the company's primary operations, which consist of providing multicast Internet-like access to elementary schools. For background, ZapMe! in recent months has experienced significant share price weakness, management turnover, insider selling and numerous downgrades. We should also mention that if less than 51% of the public shares are not tendered, shares held by management and other certain shareholders will be sold to Gilat.
- **Quality of VSAT contract wins comes into play again for Gilat.** As we have pointed out in prior research, we were concerned about the quality of the customers through which Gilat was winning its business. Our concerns were based on the viability of customers like ZapMe!, Interactive Light (4,000 unit order) and RMS (6,000 units).
- **Gilat says the impact is minimal to future revenue.** Given that ZapMe! was one of the company's biggest customers, the company's contention doesn't seem intuitive, but since they don't disclose deliveries or what constitutes their guidance, it's difficult for us to accurately assess the impact. As we identified as an issue in our initiation report, disclosure is inadequate to evaluate such circumstances as these.

Key Data

52 Week Range	\$181 1/2 - \$41 3/4
Weighted Average Shares (MM)	24.3
% Held Institutionally	55%
Market Capitalization (MM)	\$1,817.9
Revenues - LTM (MM)	\$391.9
Total Debt (MM)	\$373.4
Cash Per Share	\$2.82
Long Term Growth Rate	24%(2Yr EPS CAGR)
Year-end 2000 Price Target	NA

Fiscal Year Ends: Dec.	1998A	1999A	2000E
Revenue (MM)	\$155	\$338	\$425
Earnings Per Share			
Q1	0.35	0.41	\$0.28A
Q2	0.47	0.56	\$0.38A
Q3	0.55	0.71	\$0.58
Q4	0.76	1.00	\$0.88
Year	\$2.14	\$2.73	\$2.13
P/E	35.0x	27.4x	35.1x
Shares Fully Diluted (MM)	11.4	21.4	23.5



Gilat, headquartered in Israel, is a vertically integrated, global VSAT provider. Its key products are Very Small Aperture Terminal (VSAT) satellite earth stations, which are integral components of satellite-based communication networks. The company's products are sold globally through its own sales force and outside agents. From the company's inception in 1987 through 1998, the company has sold more than 110,000 interactive VSATs.

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 New York, NY 10022
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 San Francisco, CA 94111
 415-659-2222 / Fax 415-399-1113

 1200 17th Street, Suite 925
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October 4, 2000

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Are Gilat's Largest Customers Disappearing?

Current Gilat Top-10 All-Time Customers							
Rank	Problem	End-User	Operator	Product	Application	Country	Installed VSATs
1		MCI / U.S. Postal Service	Spacenet	Skystar Advantage	Post offices	USA	26,000*
2		National Lottery	GTECH	Skystar Advantage	Lottery	Worldwide	11,500
3	Excl. in recent co. charts?	ADS	Spacenet	Skystar Advantage	Gas stations	USA	6,500
4		AccentHealth		SkyBlaster	Medicine	USA	10,000*
5		Stock Exchange	Telespazio	OneWay	Financial news	Italy	4,850
6		Rite Aid	Spacenet	Advantage/SkySurfer	Retail & Internet	USA	4,300
7		Peugeot-Citroen	IBM	Skystar Advantage	Automotive	Europe	4,200*
8		Stock Exchange	Chinasat et al	OneWay	Stock news	China	3,800
9		Telkom S.A.	Telkom S.A.	DialAway	Rural telephony	South Africa	3,000
10		PageNet		OneWay	Paging	USA	3,000
* Potential Contract Size							
Former Gilat Top-10 All-Time Customers							
Theoretical Rank	Problem	End-User	Operator	Product	Application	Country	Installed VSATs
2	Acquired	ZapMe!	Spacenet	SkyBlaster	Education	USA	14,000*
4	Needs Financing	RMS Networks	Spacenet	SkyBlaster	Retail Multimedia	USA	6,000*
7	Bankrupt	Interactive Light	Spacenet	SkyBlaster	Sports Simulators	USA	4,000*
* Potential Contract Size							

Source: Gilat website, section last updated May 2000

ZapMe!'s business model has changed from ad revenue based to vertical market sales focused. ZapMe!'s original business model of supplying schools with computer labs of free computer equipment and Internet service was based on revenue from online advertisers. This model was derailed when the U.S. government banned the practice of providing free equipment and service to schoolchildren for the opportunity to leverage advertising to the captive audience. ZapMe!'s new business plan, with the help of Gilat, is to provide Internet services and entertainment through a PC (VSAT terminal) to patrons of vertical market businesses such as restaurants and doctor's offices. Gilat has similar relationships already in place through its contracts with AccentHealth and Netpulse. ZapMe! and Gilat will attempt to sell the existing educational service business; however, if they are unable to, it will be abandoned. ZapMe! and Gilat began their relationship in 1999 (at which time Gilat invested \$5 million in ZapMe!).

C.E. UNTERBERG, TOWBIN

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- * C.E. Unterberg, Towbin makes a market in this security.
- + C.E. Unterberg, Towbin makes a market in this security and has been involved in a recent refinancing.
- @ A managing director of C.E. Unterberg, Towbin is on the board of directors of the firm.

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The information contained herein is obtained from sources we believe to be reliable, but its accuracy and completeness, and that of the opinions based thereon, are not guaranteed. C.E. Unterberg, Towbin, or one or more of its partners, may have position in any of the securities discussed herein. All rights reserved by C.E. Unterberg, Towbin. May not be reproduced in whole or in part without prior written authorization.

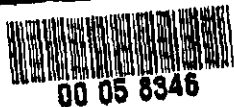
www.unterberg.com

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As filed with the Securities and Exchange Commission on June 30, 2000



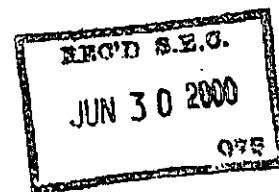
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1999

Commission file number 0-21218



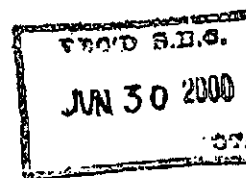
GILAT SATELLITE NETWORKS LTD.

(Exact name of Registrant as specified in its charter)

ISRAEL

(Jurisdiction of incorporation or organization)

Gilat House, 21 Yegia Kapayim Street, Daniv Park, Kiryat
Arye, Petah Tikva, 49130 Israel
(Address of principal executive offices)



Securities registered or to be registered pursuant to Section 12(b) of the Act:

NONE

(Title of each class)

Securities registered or to be registered pursuant of Section 12(g) of the Act:

Ordinary Shares, par value NIS 0.01 per share
(Title of class)

PROCESSED BY
JUL 8 2000
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CORPORATION

Def: Associated Companies = nominally 20% equity [see p. F-12]

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Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

NONE
(Title of class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock at the close of the period covered by the annual report:

As of December 31, 1999, Registrant had 21,147,298 Ordinary Shares, NIS 0.01 par value per share outstanding.

As of June 15, 2000, Registrant had 23,061,711 Ordinary Shares, NIS 0.01 par value per share outstanding.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark which financial statement item the Registrant elected to follow:

Item 17 Item 18 X